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BEFORE THE ARIZONA CORPORATION CORPORATION

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**COMMISSIONERS** 

2006 MAY 24 P 4: 51

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JEFF HATCH-MILLER, Chairman WILLIAM A. MUNDELL

ARIZONA PUBLIC SERVICE COMPANY FOR A HEARING TO DETERMINE THE FAIR VALUE OF THE UTILITY PROPERTY OF THE COMPANY FOR RATEMAKING PURPOSES,

TO FIX A JUST AND REASONABLE RATE OF RETURN THEREON, TO APPROVE RATE

SCHEDULES DESIGNED TO DEVELOP SUCH RETURN, AND TO AMEND DECISION NO.

AZ CORP COMMISSION DOCUMENT CONTROL

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MARK SPITZER KRISTIN K. MAYES

MIKE GLEASON

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IN THE MATTER OF THE APPLICATION OF | DOCKET NO. E-01345A-05-0816

NOTICE OF FILING EXHIBIT

Arizona Public Service Company ("APS" or "Company") hereby provides notice of filing a supplemental exhibit to its Amended Application in this docket, which was filed January 31, 2006.

The attached "Appendix A", which is a resume and summary of qualifications, was referenced in Mr. Fred Balluff's Direct Testimony, but was inadvertently omitted from his filed testimony. This supplemental exhibit does not change any of the information provided in the Company's Amended Application, including Mr. Balluff's Direct Testimony.

RESPECTFULLY SUBMITTED this 24th day of May, 2006.

PINNACLE WEST CAPITAL CORP.

Law Department

Thomas L. Mumax

SNELL & WILMER L.L.P.

Deborah R. Scott Robert J. Metli

Attorneys for Arizona Public Service Company

1	ORIGINAL AND 13 COPIES OF THE FOREGOING filed this 24 <sup>th</sup> day of May, 2006, with:
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3	Docket Control Arizona Corporation Commission 1200 West Washington
4	PHOENIX, AZ 85007
5	And copies of the foregoing mailed, faxed or
6	transmitted electronically this 24 <sup>th</sup> day of May, 2006 to:
7	All Parties of Record
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9	Birdie Cobb
10	Birdie Cobb
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# APPENDIX A FRED H. BALLUFF STATEMENT OF QUALIFICATIONS

# PROFESSIONAL EXPERIENCE

Mr. Balluff provides consulting services for the firm of NorthPoint Consulting Group (formerly Bower Rohr & Associates) as a Special Project Associate. He was a member of the faculty of the University of Illinois at Chicago for eleven years until his retirement in 1999. He has taught accounting theory, management/cost accounting and auditing. Mr. Balluff has over thirty-five years of experience in dealing with accounting, auditing, and ratemaking matters in the public utility industry. Mr. Balluff has appeared as an expert witness before regulatory commissions in Illinois, Indiana, Maryland, New Hampshire, New Jersey, Ohio, Pennsylvania, Vermont and the District of Columbia.

From 1981 to 1988, he was responsible for directing the Internal Audit Department at MSS System Services, Inc., which served the Middle South Utilities System. Middle South Utilities has changed its name to the Entergy Corporation. He directed a variety of financial, management and EDP audits.

Prior to joining MSS System Services, Inc., he was a partner in the Public Utilities Department of Deloitte Haskins & Sells (DH&S). As that firm's National Industry Accounting and Auditing Coordinator, he held the top technical position serving regulated businesses. He consulted with practice offices and clients, prepared and presented training programs, participated in financial and management audits and prepared and presented testimony in rate proceedings. DH&S merged with Touche Ross & Co. in 1989, forming the firm of Deloitte & Touche (D&T).

# His experience includes:

- Testimony before regulatory commissions on a wide variety of matters including rate base, cost of service, adjustment clauses, cost allocations including jurisdictional separations, rate design and attrition. He has participated in rate proceedings involving electric, gas, water, sewer, steam heat, chilled water, cable and solid waste entities. He has testified as an expert witness in rate proceedings for electric, gas, water, sewer, steam heat, chilled water, and solid waste services.
- Participation in cost allocation and rate design studies including rate studies for governmental water and sewer entities.
- Preparation of multi-year forecasts of revenue requirements for public utility clients for planning and/or financing purposes.
- Audits of electric, gas distribution and water companies.
- Audits of coal, oil and gas exploration and production activities.
- Preparation of an audit guide for oil and gas exploration activities.
- Special audits of fuel adjustment and purchased gas adjustment clauses.
- Participation in ten management audits of fuel procurement procedures.

- Analyses of financial statements, exhibits filed by utilities in support of rate base and cost
  of service, and other information for the purpose of evaluating revenue requirements and
  cost of service adjustments.
- Analyses of income tax issues including normalization requirements of investment tax credits and book/tax timing differences.
- Published two continuing education courses in accounting, auditing and ratemaking.

#### **EDUCATION**

B.A., Accounting, St. Ambrose College MBA, Tulane University

#### PROFESSIONAL CERTIFICATION

Certified Public Accountant

#### **TESTIMONY**

# District of Columbia Public Service Commission

- Potomac Electric Power Company, Formal Case No. 725 (3/18/80), for the Company on fuel procurement procedures.

# Illinois Commerce Commission

- Citizens Utilities Company of Illinois, Docket 58614 (4/8/74), for the Water Consumer's Association on rate base and cost of service for each of the water and sewer divisions and cost allocations.
- Citizens Utilities Company of Illinois Dockets 76-0096 and 76-0097 (9/1/76), for the Water Consumer's Association and the villages of Mt. Prospect and Bolingbrook on rate base and cost of service for each of the water and sewer divisions.

#### Indiana Utility Regulatory Commission

AquaSource Utilities-Utility Center, Inc., Cause 41968 (1/22/02), for the Company on total revenue requirements. Provided rebuttal testimony on 1/24/02. Provided additional

direct and rebuttal testimony on remanded issues on December 4, 2003.

- Boone County Utilities, LLC (BCU), Cause 42131 (10/7/03), for the Company on compliance with the Commission's order of March 12, 2003.

# Maryland Public Service Commission

- Delmarva Power & Light Company, Docket 6759 (8/22/75), for the Commission on the Company's fuel adjustment clause and fuel procurement procedures.

# New Hampshire Public Utilities Commission

- Northeast Utilities Petition RE: Public Service Company of New Hampshire Reorganization and Rate Agreement, PUC Docket No. DR-89-244 (4/26/90), for the Hydro Intervenors on the acquisition of PSNH by Northeast Utilities and the rate treatment accorded the Seabrook nuclear power plant.

# New Jersey Board of Regulatory Commissioners

- Elizabethtown Water Company, BRC Docket WR92070774J (2/9/93), rebuttal testimony for the Township of South Brunswick and Township of Franklin on class cost of service.

# New Jersey Board of Public Utilities

- Ellesor, Inc., BPU Docket SR 087121407, SR 8806732, SR 88121309 & SR 88121310 (12/20/89), for the Union County Utilities Authority on rate base including cash working capital requirements and cost of service including deferred income taxes and profits to affiliates, and rate design. Reviewed allocation of costs between jurisdictional and non-jurisdictional businesses. Provided additional testimony on 3/8/90.
- Elizabethtown Water Company, BPU Docket WR5110557 (4/16/96), for Cogen Technologies on off-peak wholesale rates including a review of a class cost of service study. Provided rebuttal testimony on a class cost of service study and tariff requirements for an off-peak wholesale rate on 4/26/96.
- South Jersey Gas Company, BPU Docket GR96010032 (9/5/96) for Vineland Cogeneration Limited Partnership and the Pedricktown Cogeneration Limited Partnership on a class cost of service study. Provided rebuttal testimony on a class cost of service study on October 15, 1996.
- Union County Utilities Authority, Docket SE 87111308 (10/17/89), for the Authority on total revenue requirements. Work included allocation of costs between jurisdictional and non-jurisdictional customers.

# New Jersey-Department of Environmental Protection and Energy

- Mercer County Improvement Authority, DEPE Docket SR90040264J (11/26/90), for the Authority on total revenue requirements and rate design. Work included allocation of costs between jurisdictional and non-jurisdictional customers. Provided rebuttal testimony on 12/11/90.
- Mercer County Improvement Authority, DEPE Docket SR91111682J (6/25 & 6/26/92) for the Authority on total revenue requirements, financing costs, my cost allocation study, rate design, and late payment fees. Provided rebuttal testimony on 7/28/92.
- Pen Pac, Inc., BPU Docket SR 921011003J (4/22/97, 4/24/97, and 4/25/97), for the Passaic County Utilities Authority on total revenue requirements. Work included allocation of costs between utility and non-utility operations. Provided rebuttal testimony on May 21, 1997.

### Ohio Public Service Commission

- Ohio Edison Company, Case 77-373-EL-FAC (7/28/77), for the Office of the Attorney General on the Company's fuel adjustment clause and fuel procurement procedures.
- Ohio Edison Company, Case 78-622-EL-FAC (8/9/78), for the Office of the Attorney General on the Company's fuel adjustment clause and fuel procurement procedures.
- Ohio Edison Company, Case 79-227-EL-FAC (8/14/79), for the Office of the Attorney General on the Company's fuel adjustment clause and fuel procurement procedures.
- Ohio Edison Company, Case 80-235-EL-FAC (8/6/80), for the Office of the Attorney General on the Company's fuel adjustment clause and fuel procurement procedures.
- Ohio Edison Company, Case 80-235-EL-FAC (8/18/80), on the Company's claim against a coal supplier.

# Pennsylvania Public Utility Commission

- Pittsburgh Thermal Limited Partnership, Docket R-00994641 (11/16/99), for Allegheny Center Associates on revenue requirement issues including a proposed change in depreciation rates. Provided sur rebuttal testimony on the treatment of abandoned property.

# Vermont Public Service Board

- Central Vermont Public Service Corporation, Docket 3744 (7/9/74), for the Public on rate base and cost of service.

- Green Mountain Power Corporation, Docket 3758 (11/20/74), for the Public on rate base, cost of service, and my recommended fuel adjustment clause.
- Central Vermont Public Service Corporation, Docket 3991 (12/30/75), for the Public on reasonableness of Company's request for an increase in rates.
- Green Mountain Power Corporation, Docket 4046 (12/30/75), for the Public on reasonableness of Company's request for an increase in rates.
- Central Vermont Public Service Corporation, Docket 4230 (7/14/77), for the Public on reasonableness of a request for temporary rates.
- Central Vermont Public Service Corporation, Docket 4230 (11/3/77), for the Public on rate base, cost of service, and jurisdictional separation of costs.
- Vermont Electric Cooperative, Docket 4475 (10/7/80), for the Cooperative on rate base and cost of service.